

AMENDED IN ASSEMBLY APRIL 10, 2003
AMENDED IN ASSEMBLY MARCH 24, 2003

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

ASSEMBLY BILL

No. 680

Introduced by Assembly Member Liu

February 19, 2003

An act to amend, repeal, and add Section 76300 of, and to add Sections 76301 and 76302 to, the Education Code, relating to public postsecondary education, *and making an appropriation therefor.*

LEGISLATIVE COUNSEL'S DIGEST

AB 680, as amended, Liu. Public postsecondary education: community college fees: *Community Colleges Instructional and Student Services Augmentation Fund.*

Existing law establishes the California Community Colleges under the administration of the Board of Governors of the California Community Colleges. Existing law authorizes the establishment of community college districts under the administration of community college district governing boards, and authorizes these districts to provide instruction to students, for a fee of \$11 per unit per semester, at community college campuses throughout the state. ~~Existing law requires the Chancellor of the California Community Colleges, in computing apportionments to community college districts, to subtract, from the total owed to each district 98% of the revenues received by districts from charging this fee.~~

This bill would increase these fees for the 2003–04 academic year to the 2005–06 academic year, inclusive, in accordance with a schedule.

~~For the 2003–04 and 2004–05 academic years, the bill would require students with bachelor’s degrees to pay a higher amount than students without bachelor’s degrees. The~~

~~The bill would require that any revenue received by a community college district pursuant to the increase in the fee amount in the 2003–04 academic year to the 2005–06 academic year, inclusive, required by the bill, be exempt from the existing requirement for subtraction from the total revenue owed to each district establish the Community Colleges Instructional and Student Services Augmentation Fund, and would require a prescribed portion of the proceeds of the fee described above to be deposited into this fund. This fund would be continuously appropriated for allocation by the chancellor to each community college district on an equal basis per full-time equivalent student to supplement and enrich student access, instruction, support, and financial aid services to students.~~

The bill would require the board of governors to determine this fee, commencing with the 2006–07 academic year. The bill would also require the board of governors to develop a methodology for the adjustment of this fee in accordance with a prescribed procedure. The bill would require the California Postsecondary Education Commission to annually review, and report to the Legislature and the Director of Finance about, the policies and procedures adopted by the board of governors with respect to the determination of the fee.

The bill would require the board of governors to analyze the impact on student enrollments of the fee increases that preceded the enactment of the bill and to submit this analysis to the Legislature and the Governor prior to January 1, 2005.

Vote: majority. Appropriation: ~~no~~–yes. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 76300 of the Education Code is
- 2 amended to read:
- 3 76300. (a) The governing board of each community college
- 4 district shall charge each student a fee pursuant to this section.
- 5 (b) (1) The fee prescribed by this section is as follows:
- 6 ~~(A) For a student who does not have a bachelor’s degree:~~
- 7 ~~(i) For the 2003–04 academic year, sixteen dollars (\$16) per~~
- 8 ~~unit per semester.~~

~~(ii) For the 2004–05 academic year, twenty-one dollars (\$21) per unit per semester.~~

~~(B) For a student who has a bachelor's degree, the fee shall be twenty-five dollars (\$25) per unit per semester for the 2003–04 and 2004–05 academic years.~~

~~(C) In the 2005–06 academic year, the fee for each student, irrespective of whether or not that student has a bachelor's degree, shall be twenty-five dollars (\$25) per unit per semester.~~

(A) For a term of the 2003–04 academic year that commences on or after January 1, 2004, sixteen dollars (\$16) per unit per semester.

(B) For the 2004–05 academic year, twenty-one dollars (\$21) per unit per semester.

(C) For the 2005–06 academic year, twenty-five dollars (\$25) per unit per semester.

(2) The chancellor shall proportionately adjust the amount of the fee for term lengths based upon a quarter system, and also shall proportionately adjust the amount of the fee for summer sessions, intersessions, and other short-term courses. In making these adjustments, the chancellor may round the per unit fee and the per term or per session fee to the nearest dollar.

(c) ~~(1)~~ For the purposes of computing apportionments to community college districts pursuant to Section 84750, the chancellor shall subtract, from the total revenue owed to each district, 98 percent of the revenues received by districts from charging a fee pursuant to this section.

~~(2) Notwithstanding paragraph (1), any revenue received by a community college district pursuant to the increase in the fee amount required by the amendment to subdivision (b) enacted during the 2003 portion of the 2003–04 Regular Session, is exempt from the subtraction from the total revenue owed to each district required by paragraph (1).~~

(d) The chancellor shall reduce apportionments by up to 10 percent to any district that does not collect the fees prescribed by this section.

(e) The fee requirement does not apply to any of the following:

(1) Students enrolled in the noncredit courses designated by Section 84757.

(2) California State University or University of California students enrolled in remedial classes provided by a community

1 college district on a campus of the University of California or a
2 campus of the California State University, for whom the district
3 claims an attendance apportionment pursuant to an agreement
4 between the district and the California State University or the
5 University of California.

6 (3) Students enrolled in credit contract education courses
7 pursuant to Section 78021, if the entire cost of the course,
8 including administrative costs, is paid by the public or private
9 agency, corporation, or association with which the district is
10 contracting and if these students are not included in the calculation
11 of the full-time equivalent students (FTES) of that district.

12 (f) The governing board of a community college district may
13 exempt special part-time students admitted pursuant to Section
14 76001 from the fee requirement.

15 (g) (1) The fee requirements of this section shall be waived
16 for any student who, at the time of enrollment, is a recipient of
17 benefits under the Temporary Assistance to Needy Families
18 program, the Supplemental Security Income/State Supplementary
19 Program, or a general assistance program or has demonstrated
20 financial need in accordance with the methodology set forth in
21 federal law or regulation for determining the expected family
22 contribution of students seeking financial aid.

23 (2) The governing board of a community college district also
24 shall waive the fee requirements of this section for any student who
25 demonstrates eligibility according to income standards established
26 by the board of governors.

27 (h) The fee requirements of this section shall be waived for any
28 student who, at the time of enrollment is a dependent, or surviving
29 spouse who has not remarried, of any member of the California
30 National Guard who, in the line of duty and while in the active
31 service of the state, was killed, died of a disability resulting from
32 an event that occurred while in the active service of the state, or is
33 permanently disabled as a result of an event that occurred while in
34 the active service of the state. "Active service of the state," for the
35 purposes of this subdivision, refers to a member of the California
36 National Guard activated pursuant to Section 146 of the Military
37 and Veterans Code.

38 (i) The fee requirements of this section shall be waived for any
39 student who is the surviving spouse or the child, natural or

1 adopted, of a deceased person who met all of the requirements of
2 Section 68120.

3 (j) The fee requirements of this section shall be waived for any
4 student in an undergraduate program, including a student who has
5 previously graduated from another undergraduate or graduate
6 program, who is the dependent of any individual killed in the
7 September 11, 2001, terrorist attacks on the World Trade Center
8 and the Pentagon, or the crash of United Airlines Flight 93 in
9 southwestern Pennsylvania, if that dependent meets the financial
10 need requirements set forth in Section 69432.7 for the Cal Grant
11 A Program and either of the following apply:

12 (1) The dependent was a resident of California on September
13 11, 2001.

14 (2) The individual killed in the attacks was a resident of
15 California on September 11, 2001.

16 (k) A determination of whether a person is a resident of
17 California on September 11, 2001, for purposes of subdivision (j)
18 shall be based on the criteria set forth in Chapter 1 (commencing
19 with Section 68000) of Part 41 for determining nonresident and
20 resident tuition.

21 (l) (1) “Dependent,” for purposes of subdivision (j), is a
22 person who, because of his or her relationship to an individual
23 killed as a result of injuries sustained during the terrorist attacks
24 of September 11, 2001, qualifies for compensation under the
25 federal September 11th Victim Compensation Fund of 2001 (Title
26 IV (commencing with Section 401) of Public Law 107-42).

27 (2) A dependent who is the surviving spouse of an individual
28 killed in terrorist attacks of September 11, 2001, is entitled to the
29 waivers provided in this section until January 1, 2013.

30 (3) A dependent who is the surviving child, natural or adopted,
31 of an individual killed in the terrorist attacks of September 11,
32 2001, is entitled to the waivers under subdivision (j) until that
33 person obtains the age of 30 years.

34 (4) A dependent of an individual killed in the terrorist attacks
35 of September 11, 2001, who is determined to be eligible by the
36 California Victim Compensation and Government Claims Board,
37 is also entitled to the waivers provided in this section until January
38 1, 2013.

39 (m) (1) It is the intent of the Legislature that sufficient funds
40 be provided to support the provision of a fee waiver for every

1 student who demonstrates eligibility pursuant to subdivisions (g)
2 to (j), inclusive.

3 (2) From funds provided in the annual Budget Act, the board
4 of governors shall allocate to community college districts,
5 pursuant to this subdivision, an amount equal to 2 percent of the
6 fees waived pursuant to subdivisions (g) to (j), inclusive. From
7 funds provided in the annual Budget Act, the board of governors
8 shall allocate to community college districts, pursuant to this
9 subdivision, an amount equal to ninety-one cents (\$0.91) per credit
10 unit waived pursuant to subdivisions (g) to (j), inclusive, for
11 determination of financial need and delivery of student financial
12 aid services, on the basis of the number of students for whom fees
13 are waived. Funds allocated to a community college district for
14 determination of financial need and delivery of student financial
15 aid services shall supplement, and shall not supplant, the level of
16 funds allocated for the administration of student financial aid
17 programs during the 1992–93 fiscal year.

18 (n) (1) *The proceeds of the fee required by subdivision (b), to*
19 *the extent that the amount of revenue received by a district from the*
20 *fee exceeds the amount received by that district in the 2002–03*
21 *fiscal year, shall be remitted to the board of governors for deposit*
22 *in the Community Colleges Instructional and Student Services*
23 *Augmentation Fund, which is hereby established in the State*
24 *Treasury. Notwithstanding Section 13340 of the Government*
25 *Code, funds deposited in the Community Colleges Instructional*
26 *and Student Services Augmentation Fund are continuously*
27 *appropriated, without regard to fiscal years, for allocation by the*
28 *chancellor to each community college district on an equal basis*
29 *per full-time equivalent student in order to supplement and enrich*
30 *student access, instruction, support, and financial aid services to*
31 *students.*

32 (2) *The board of governors may annually expend not more than*
33 *one-half of 1 percent of the annual proceeds remitted to the fund*
34 *for the purpose of assisting districts in the planning,*
35 *implementation, and oversight of programs and services paid for*
36 *from the fund, subject to appropriation by the Legislature in the*
37 *annual Budget Act.*

38 (3) *It is the intent of the Legislature that all fund expenditures*
39 *supplement, rather than supplant, state funding for community*
40 *college programs.*

(4) *The Legislature finds and declares that allocations from the Community Colleges Instructional and Student Services Augmentation Fund are not moneys to be applied by the state for the support of community college districts pursuant to subdivision (b) of Section 8 of Article XVI of the California Constitution, nor shall the allocations offset moneys to be applied by the state for the support of community college districts.*

(o) The board of governors shall adopt regulations implementing this section.

~~(p)~~

(p) This section shall become inoperative on July 1, 2006, and, as of January 1, 2007, is repealed, unless a later enacted statute that is enacted before January 1, 2007, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 2. Section 76300 is added to the Education Code, to read:

76300. (a) The governing board of each community college district shall charge each student a fee pursuant to this section.

(b) (1) Commencing with the 2006–07 academic year, the Board of Governors of the California Community Colleges shall prescribe the amount of the fee required by this section.

(2) The chancellor shall proportionately adjust the amount of the fee for term lengths based upon a quarter system, and also shall proportionately adjust the amount of the fee for summer sessions, intersessions, and other short-term courses. In making these adjustments, the chancellor may round the per unit fee and the per term or per session fee to the nearest dollar.

(c) For the purposes of computing apportionments to community college districts pursuant to Section 84750, the chancellor shall subtract, from the total revenue owed to each district, 98 percent of the revenues received by districts from charging a fee pursuant to this section.

(d) The chancellor shall reduce apportionments by up to 10 percent to any district that does not collect the fees prescribed by this section.

(e) The fee requirement does not apply to any of the following:

(1) Students enrolled in the noncredit courses designated by Section 84757.

(2) California State University or University of California students enrolled in remedial classes provided by a community

1 college district on a campus of the University of California or a
2 campus of the California State University, for whom the district
3 claims an attendance apportionment pursuant to an agreement
4 between the district and the California State University or the
5 University of California.

6 (3) Students enrolled in credit contract education courses
7 pursuant to Section 78021, if the entire cost of the course,
8 including administrative costs, is paid by the public or private
9 agency, corporation, or association with which the district is
10 contracting and if these students are not included in the calculation
11 of the full-time equivalent students (FTES) of that district.

12 (f) The governing board of a community college district may
13 exempt special part-time students admitted pursuant to Section
14 76001 from the fee requirement.

15 (g) (1) The fee requirements of this section shall be waived for
16 any student who, at the time of enrollment, is a recipient of benefits
17 under the Temporary Assistance to Needy Families program, the
18 Supplemental Security Income/State Supplementary Program, or
19 a general assistance program or has demonstrated financial need
20 in accordance with the methodology set forth in federal law or
21 regulation for determining the expected family contribution of
22 students seeking financial aid.

23 (2) The governing board of a community college district also
24 shall waive the fee requirements of this section for any student who
25 demonstrates eligibility according to income standards established
26 by the board of governors.

27 (h) The fee requirements of this section shall be waived for any
28 student who, at the time of enrollment is a dependent, or surviving
29 spouse who has not remarried, of any member of the California
30 National Guard who, in the line of duty and while in the active
31 service of the state, was killed, died of a disability resulting from
32 an event that occurred while in the active service of the state, or is
33 permanently disabled as a result of an event that occurred while in
34 the active service of the state. "Active service of the state," for the
35 purposes of this subdivision, refers to a member of the California
36 National Guard activated pursuant to Section 146 of the Military
37 and Veterans Code.

38 (i) The fee requirements of this section shall be waived for any
39 student who is the surviving spouse or the child, natural or

1 adopted, of a deceased person who met all of the requirements of
2 Section 68120.

3 (j) The fee requirements of this section shall be waived for any
4 student in an undergraduate program, including a student who has
5 previously graduated from another undergraduate or graduate
6 program, who is the dependent of any individual killed in the
7 September 11, 2001, terrorist attacks on the World Trade Center
8 and the Pentagon, or the crash of United Airlines Flight 93 in
9 southwestern Pennsylvania, if that dependent meets the financial
10 need requirements set forth in Section 69432.7 for the Cal Grant
11 A Program and either of the following apply:

12 (1) The dependent was a resident of California on September
13 11, 2001.

14 (2) The individual killed in the attacks was a resident of
15 California on September 11, 2001.

16 (k) A determination of whether a person is a resident of
17 California on September 11, 2001, for purposes of subdivision (j)
18 shall be based on the criteria set forth in Chapter 1 (commencing
19 with Section 68000) of Part 41 for determining nonresident and
20 resident tuition.

21 (l) (1) “Dependent,” for purposes of subdivision (j), is a
22 person who, because of his or her relationship to an individual
23 killed as a result of injuries sustained during the terrorist attacks
24 of September 11, 2001, qualifies for compensation under the
25 federal September 11th Victim Compensation Fund of 2001 (Title
26 IV (commencing with Section 401) of Public Law 107-42).

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28 killed in terrorist attacks of September 11, 2001, is entitled to the
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30 (3) A dependent who is the surviving child, natural or adopted,
31 of an individual killed in the terrorist attacks of September 11,
32 2001, is entitled to the waivers under subdivision (j) until that
33 person obtains the age of 30 years.

34 (4) A dependent of an individual killed in the terrorist attacks
35 of September 11, 2001, who is determined to be eligible by the
36 California Victim Compensation and Government Claims Board,
37 is also entitled to the waivers provided in this section until January
38 1, 2013.

39 (m) (1) It is the intent of the Legislature that sufficient funds
40 be provided to support the provision of a fee waiver for every

1 student who demonstrates eligibility pursuant to subdivisions (g)
2 to (j), inclusive.

3 (2) From funds provided in the annual Budget Act, the board
4 of governors shall allocate to community college districts,
5 pursuant to this subdivision, an amount equal to 2 percent of the
6 fees waived pursuant to subdivisions (g) to (j), inclusive. From
7 funds provided in the annual Budget Act, the board of governors
8 shall allocate to community college districts, pursuant to this
9 subdivision, an amount equal to ninety-one cents (\$0.91) per credit
10 unit waived pursuant to subdivisions (g) to (j), inclusive, for
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12 aid services, on the basis of the number of students for whom fees
13 are waived. Funds allocated to a community college district for
14 determination of financial need and delivery of student financial
15 aid services shall supplement, and shall not supplant, the level of
16 funds allocated for the administration of student financial aid
17 programs during the 1992–93 fiscal year.

18 (n) (1) *The proceeds of the fee required by subdivision (b), to*
19 *the extent that the amount of revenue received by a district from the*
20 *fee exceeds the amount received by that district in the 2002-03*
21 *fiscal year, shall be remitted to the board of governors for deposit*
22 *in the Community Colleges Instructional and Student Services*
23 *Augmentation Fund, which is hereby established in the State*
24 *Treasury. Notwithstanding Section 13340 of the Government*
25 *Code, funds deposited in the Community Colleges Instructional*
26 *and Student Services Augmentation Fund are continuously*
27 *appropriated, without regard to fiscal years, for allocation by the*
28 *chancellor to each community college district on an equal basis*
29 *per full-time equivalent student in order to supplement and enrich*
30 *student access, instruction, support, and financial aid services to*
31 *students.*

32 (2) *The board of governors may annually expend not more than*
33 *one-half of 1 percent of the annual proceeds remitted to the fund*
34 *for the purpose of assisting districts in the planning,*
35 *implementation, and oversight of programs and services paid for*
36 *from the fund, subject to appropriation by the Legislature in the*
37 *annual Budget Act.*

38 (3) *It is the intent of the Legislature that all fund expenditures*
39 *supplement, rather than supplant, state funding for community*
40 *college programs.*

1 (4) *The Legislature finds and declares that allocations from the*
2 *Community Colleges Instructional and Student Services*
3 *Augmentation Fund are not moneys to be applied by the state for*
4 *the support of community college districts pursuant to subdivision*
5 *(b) of Section 8 of Article XVI of the California Constitution, nor*
6 *shall the allocations offset moneys to be applied by the state for the*
7 *support of community college districts.*

8 (o) The board of governors shall adopt regulations
9 implementing this section.

10 ~~(p)~~

11 (p) This section shall become operative on July 1, 2006.

12 SEC. 3. Section 76301 is added to Article 1 of Chapter 2 of
13 Part 47 of the Education Code, to read:

14 76301. (a) Commencing with the 2006–07 academic year,
15 the Board of Governors of the California Community Colleges
16 shall determine the amount of the fee required by Section 76300.

17 (b) To carry out the responsibilities of this section, the board of
18 governors shall develop a rational and transparent methodology
19 for adjusting the fee required by Section 76300. This methodology
20 shall be developed in consultation with appropriate student
21 representatives and, once developed, shall be formally adopted by
22 the board of governors in an open public meeting.

23 (c) In adopting a methodology, the board of governors shall
24 take into consideration the impact that the methodology and its
25 resulting outcome will have on students and the quality of the
26 system. At a minimum, the board of governors shall pay careful
27 attention to the impact that the proposed methodology has on
28 financially needy and underrepresented students, average time to
29 degree completion, and the total cost to the student of obtaining a
30 degree. To the extent that the board of governors recognizes that
31 the proposed methodology will have a negative impact, the board
32 of governors shall include a plan for mitigating that impact. The
33 board of governors shall annually report to the Governor, the
34 Legislature, and the California Postsecondary Education
35 Commission concerning its analysis of the impact associated with
36 implementation of its student fee methodology.

37 (d) (1) Employing the methodology adopted under this
38 section, the board of governors shall annually propose an
39 adjustment in the level of the fee required by Section 76300. The
40 board of governors may not assume that State General Fund

1 resources will be made available to backfill for any proposed
2 changes in student fee levels.

3 (2) The proposed adjustments in student fees shall be discussed
4 and acted upon by the board of governors in an open public
5 meeting. Consistent with the state's open meeting law provisions,
6 the board of governors shall provide an opportunity for interested
7 constituents to comment on the proposed changes in student fees.

8 (e) The board of governors shall discuss, and act upon, any
9 proposed changes in the fee required by Section 76300 by no later
10 than each November 30 in order for those fees to take effect at the
11 commencement of the academic term commencing after July 1 of
12 the following calendar year. Following the action of the board of
13 governors, the California Community Colleges shall employ
14 appropriate procedures to notify students of the proposed changes
15 in student fees. The Legislature finds and declares that this
16 advance notification will enable students and their families to
17 better plan financially.

18 (f) The Legislature finds and declares both of the following:

19 (1) The Governor and Legislature should recognize the
20 responsibility assigned to the California Community Colleges
21 under Section 66010.4, and allow student fees to increase or
22 decrease in a manner consistent with the methodology adopted by
23 the board of governors.

24 (2) To the extent that the Governor or Legislature identify
25 additional State General Fund resources to provide to higher
26 education, they are encouraged to examine the overall fiscal needs
27 of the California Community Colleges and provide state revenues
28 to assist that system in meeting its ongoing operational needs,
29 rather than using limited state revenues to backfill for proposed
30 changes in fee levels.

31 (g) If, following enactment of the annual Budget Act, because
32 of budgetary restrictions or requirements, the level of student fees
33 to be assessed in the upcoming academic year differs from those
34 previously approved by the board of governors, the board of
35 governors shall meet, in open public session, to discuss and act
36 upon the revised level of the fee required by Section 76300. This
37 action shall occur in an open public meeting, and provide an
38 opportunity for interested constituents to comment on the
39 proposed change in student fees. The board of governors shall bear

the final and ultimate responsibility for determining the amount of the fee required by Section 76300.

(h) Following the final action of the board of governors, the California Community Colleges shall employ appropriate procedures to notify students of the student fees to be assessed in the upcoming academic year. In addition, the California Community Colleges shall simultaneously provide students with information concerning the availability of student financial aid and the procedures for obtaining that aid in order to assist students with meeting the increased costs of community college attendance.

SEC. 4. Section 76302 is added to Article 1 of Chapter 2 of Part 47 of the Education Code, to read:

76302. Each year, prior to December 1, the California Postsecondary Education Commission shall review institutional compliance with the policies set forth in Section 76301, and report, in writing, to the Legislature and the Director of Finance any findings, conclusions, or recommendations of the commission regarding the implementation of these policies.

SEC. 5. *The Board of Governors of the California Community Colleges shall analyze the impact on student enrollments of the fee increases that preceded the enactment of the act adding this section. The board of governors shall submit this analysis to the Legislature and the Governor prior to January 1, 2005.*

SEC. 6. *The Legislature recognizes that the act adding this section will increase the need for financial aid services and outreach for community college students. It is the intent of the Legislature that the state augment funding for financial aid services and outreach services to convey the message of the continuing affordability of community college education.*

CORRECTIONS

Text — Pages 1, 10 and 13.